



# ***NEWS RELEASE***

**CALIFORNIA STATE TREASURER PHIL ANGELIDES**

**FOR IMMEDIATE RELEASE**

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**TREASURER ANGELIDES COMMENTS ON FITCH RATINGS' DECISION  
TO INCREASE STATE'S CREDIT RATING TO 'A-' FROM 'BBB'**

SACRAMENTO, CA – State Treasurer Phil Angelides made the following comments in response to Fitch Ratings' decision to increase the State's credit rating to 'A-' from 'BBB:'

“As was the case with the Standard & Poor's announcement last month, it is always good news to hear that the State's credit rating has improved. But we are not out of the woods yet. California's credit ratings, the lowest in the nation, will not be fully restored until the budget is truly balanced and the State's deficit spending is brought to an end.

“Unfortunately, Governor Schwarzenegger's budget this year places us in continued jeopardy. As Fitch noted today, ‘the State will be challenged to close’ its spending gap so long as it continues to rely on substantial amounts of long-term borrowing – an estimated \$7 billion – to achieve balance. That massive borrowing will hinder our efforts to continue to raise our ratings. Continued borrowing has masked the State's true budget condition, leaving future generations to pay higher borrowing costs and hindering our ability to make the smart investments that will truly build our State's economic future.”

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